

Message Text

UNCLASSIFIED

PAGE 01 RIO DE 00749 162026Z
ACTION ARA-14

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-01
INR-10 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06
SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-07
CEA-01 L-03 H-02 PA-02 AGRE-00 IO-14 /121 W
-----051517 162030Z /45

P R 161945Z FEB 78
FM AMCONSUL RIO DE JANEIRO
TO SECSTATE WASHDC PRIORITY 5843
INFO AMEMBASSY BRASILIA
AMCONSUL SAO PAULO

UNCLAS RIO DE JANEIRO 0749

E. O. 11652: N/A
TAGS: EAGR, ETRD, BR
SUBJ: IBC TEMPORARILY LOWERS MINIMUM EXPORT PRICE

1. FEBRUARY 16 RIO NEWSPAPERS CARRIED REPORTS OF A NEW AND RATHER COMPLICATED SYSTEM OF BRAZILIAN COFFEE INSTITUTE (IBC) DISCOUNTS. FOR SALES REGISTERED FEBRUARY 16 THE REBATES ARE 18 AND 21 CENTS PER POUND RESPECTIVELY TO WESTERN AND EASTERN HEMISPHERE CUSTOMERS. THE DISCOUNT CONSISTS OF TWO PARTS, THE FIRST IS TIED DIRECTLY TO FREIGHT COSTS (.09 CENTS FOR WESTERN HEMISPHERE AND .11 CENTS FOR EASTERN HEMISPHERE). THE SCND PART WILL VARY ACCORDING TO AN AVERAGE OF THE INTERNATIONAL COFFEE ORGANIZATION'S (ICO) INDICATOR PRICES FOR OTHER MILDS AND ROBUSTAS OF TWO DAYS EARLIER (E.G., THE AVERAGE USED FOR A SALE REGISTERED WITH THE IBC FEBRUARY 16 WOULD BE TAKEN FROM THE ICO'S INDICATOR PRICES FOR FEBRUARY 14). THUS THE REBATES WILL VARY DAILY. THESE DISCOUNTS WILL BE AVAILABLE FROM FEBRUARY 16 THROUGH FEBRUARY 28.

2. CONGEN E/C OFFICER TELEPHONED DELAURO BAUMGRATZ, IBC'S DIRECTOR OF EXPORT SALES, IN ATTEMPT TO CONFIRM WHAT APPEARED TO BE VERY AUTHORITATIVE PRESS REPORTS, E.G., BOTH O GLOBO
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AND JORNAL DO BRASIL CLAIMED TO HAVE A COPY OF THE REBATE INSTRUCTIONS IN HAND. BAUMGRATZ REFUSED TO CONFIRM OR DENY THE REPORTS (HE SAID THAT ONLY IBC PRESIDENT CALAZANS COULD MAKE POLICY STATEMENTS) BUT SAID THAT THE STORIES CONTAINED SEVERAL FACTUAL ERRORS. THE ERRORS HE CITED, HOWEVER, DO NOT CHANGE THE MAIN THRUST OF THE ARTICLES, I.E., THE IBC IS OFFERING NEW DISCOUNTS.

DEXTER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LAW, COFFEE, EXPORT PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 16 feb 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978RIODE00749
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780072-0422
Format: TEL
From: RIO DE JANEIRO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780246/aaaabnen.tel
Line Count: 63
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 757447d5-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 22 feb 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3571845
Secure: OPEN
Status: NATIVE
Subject: IBC TEMPORARILY LOWERS MINIMUM EXPORT PRICE
TAGS: EAGR, ETRD, BR, IBC-BRAZILIAN COFFEE INSTITUTE
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/757447d5-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014